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STATE FOR NEA/I (KTAECKER)  
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TAGS: UN EAID EFIN PGOV PREL NL  
SUBJECT: ICI SIGNING: DUTCH LIKELY TO ATTEND BUT OFFER NO  
NEW PLEDGES

REF: A. STATE 47346

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ACCORDINGLY.

¶1. (SBU) Summary. The Dutch are committed to supporting Iraqi reform, economic development, and reconstruction, but do not plan a pledge at the International Compact with Iraq (ICI) signing, Dutch officials say. End Summary.

¶2. (SBU) Econoff delivered on April 16 ref A demarche regarding support for Iraq under the ICI to Nicole Bollen, Coordinator of Debt Issues in the Ministry of Finance and also Dutch representative to the Paris Club and Chair of the OECD Export Credits Group, and Dirk Jan Wierenga, Iraq Desk Officer, Gulf States Division, North Africa and Middle East Department, Ministry of Foreign Affairs (MFA).

¶3. (SBU) In a subsequent discussion April 19, Wierenga, who wrote the decision memo for Foreign Minister Verhagen on Dutch participation in ICI, said his four recommendations were: first, that the Dutch attend ICI to show solidarity with the Iraqis and demonstrate GONL commitment; second, that the Dutch offer no new pledges but use the event to learn how ICI will work and how to help -- and possibly pledge -- in the future; third, that the Dutch continue their current reconstruction efforts; and lastly, that MFA Director for North Africa and Middle East Department Henriette van Lynden-Leijten lead the Dutch delegation. Wierenga predicted Verhagen would accept all four recommendations.

¶4. (SBU) On possible financial support to Iraq, both officials confirmed GONL is already reducing Iraqi debt by 80 percent in line with Paris Club terms and does not plan further reductions (ref B). The Iraqis will make their first payment to the Dutch in 2009, Wierenga said, and the GONL will re-evaluate the situation at that time. By then, debt relief may not be the best solution, as financing new activities in capacity building may be better options if the Iraqi budget is stable.

¶5. (SBU) Wierenga said current and past reconstruction and assistance efforts included providing \$15 million to the International Reconstruction Fund Facility for Iraq, providing 15 military personnel as part of a NATO training mission in Baghdad, and training Iraqi judges, police,

investigators, and Iraqi MFA personnel. The GONL continues to push the EU Commission to make commitments and increase its support to Iraq, he said.

ARNALL